

**MINUTES  
of the  
FOURTH MEETING  
of the  
PUBLIC SCHOOL CAPITAL OUTLAY OVERSIGHT TASK FORCE**

**November 21-22, 2005  
Room 317, State Capitol  
Santa Fe**

The fourth meeting of the Public School Capital Outlay Oversight Task Force (PSCOOTF) for the 2005 interim was called to order by Representative Rick Miera, co-chair, on Monday, November 21, 2005, at 10:15 a.m. in Room 317 of the State Capitol in Santa Fe.

**Present**

Rep. Rick Miera, Co-Chair  
Sen. Cynthia Nava, Co-Chair  
Sen. Vernon D. Asbill  
Rep. Ray Begaye  
Cecilia Grimes (replacement for Rey S. Medina)  
Pancho Guardiola  
Dr. Jim Holloway (for Veronica Garcia)  
James Jimenez  
Rep. Larry A. Larrañaga  
Sen. Carroll H. Leavell  
Rep. Ben Lujan, Speaker of the House  
Elizabeth Marrufo  
Tony Monfiletto  
Bud Mulcock  
Antonio Ortiz (for Veronica Garcia)  
Rep. Henry Kiki Saavedra  
Norman Suazo  
Dr. Moises Venegas

**Absent**

Sen. Ben D. Altamirano  
Gary Bland  
Sen. Joseph A. Fidel  
Leonard Haskie  
Kilino Marquez  
Rep. W.C. "Dub" Williams

**Staff**

Sharon Ball, Legislative Council Service (LCS)  
Tim Berry, Public School Facilities Authority (PSFA)  
Jeffery Eaton, PSFA  
Kathy Forrer, Legislative Education Study Committee (LESC)  
Jeremy LaFaver, LCS  
Pauline Rindone, LESC  
Paula Tackett, LCS  
Doug Williams, LCS

## **Guests**

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

## **Monday, November 21**

### **HB 511 Status Report**

Tom Ryan, executive director of technology for Albuquerque Public Schools, presented information to the task force regarding implementation of the 2005 legislature's amendments to the Technology for Education Act that establish a framework for creating a fund to address educational technology deficiencies (HB 511). He pointed out that these amendments to the Technology for Education Act had been recommended by the PSCOOTF's predecessor, the Public School Capital Outlay Task Force (PSCOTF) (which was established in 2000 to address capital outlay issues raised by the *Zuni* lawsuit).

Mr. Ryan said that, during the 2004 interim, the PSCOTF became aware of serious deficiencies in educational technology infrastructure in some public schools. Noting that some schools and districts seem to have more access to various types of capital resources than others, he said that he has seen some schools with state-of-the-art equipment while other schools seem to have barely entered the computer age. He expressed his opinion that passage of HB 511 will help the state avoid another lawsuit by a district seeking equity and adequacy of educational technology funding. The bill requires the Public Education Department (PED) Education Technology Bureau (now called the Literacy, Technology and Standards Bureau) with the advice of the Council on Technology in Education (CTE) and the state's chief information officer, to develop and define minimum educational technology adequacy standards. Once the standards have been established, the bill requires each school district to assess all of its schools to identify deficiencies from the minimum standards, as well as cost projections to correct the deficiencies.

To meet the requirements of HB 511, Mr. Ryan said that volunteers from the CTE are working with the PED Literacy, Technology and Standards Bureau staff to accomplish the following:

- research existing technology standards and models in leading New Mexico districts and other states;
- conduct a statewide computer census to determine the numbers and capabilities of computers presently in New Mexico schools;
- develop a set of standards for educational technology systems that set minimum specifications for 21st century learning environments;
- integrate these technology adequacy standards into the New Mexico State Educational Technology Plan;
- develop a model based upon the current capital outlay standards-based process to identify, prioritize and correct deficiencies in schools throughout the state;

- develop an initial estimate to correct the most serious deficiencies; and
- identify strategies and develop recommendations to leverage multiple sources of funding to most effectively support the educational technology needs of schools.

Mr. Ryan said that the goal of HB 511 is to ensure that all students in the state benefit from educational technology systems that meet baseline adequacy standards no matter where they live; therefore, the learning environments must include adequate access to reliable, capable systems that support teaching and learning in the digital age. He added that a key component to implementing HB 511 is ensuring that the proper infrastructure (networks) exists so that the system upon which the hardware is running is efficient.

Some of the other recommendations that Mr. Ryan discussed were for dependable annual funding to the Educational Technology Fund (which has been the primary statewide source to fund provisions of the Technology for Education Act); establishment of statewide technology infrastructure standards; and incorporation of technology infrastructure standards in all new construction and remodels.

Mr. Ryan then gave the task force information regarding the statewide student to computer statistics. It was noted that the statewide average of students per computer is 3.01. He said that the ideal ratios for computer use would be 1:1 for staff and 1:4 for students, and that all computers and network devices five years of age or older are considered obsolete due to software upgrades and other issues.

Several task force members questioned whether a computer that is five years old is truly obsolete given its uses for most students. Mr. Ryan responded, saying that upgrading machines that were purchased more than five years ago is more expensive than replacement because of both labor and upgrade costs. Mr. Ryan also said that software for video conferencing and multimedia use is the primary reason for high upgrade costs and that the use of Microsoft Office is not creating undue upgrade costs.

Upon a question from Senator Nava, Mr. Ryan said that the goal in the next five years is to have a 1:1 computer use ratio for each school. One aspect of reaching this goal is to give higher priority to those schools that are further behind the state ratio average, much in the same manner that Public School Capital Outlay Council (PSCOC) grants are currently awarded.

Secretary Jimenez said that he was unsure whether the goals that are being established meet actual needs of students and districts. He said that he believes the task force should be looking at proving that the ratio goals can contribute toward student success. Senator Leavell concurred with the secretary's concerns.

Mr. Ryan discussed access issues to the internet along with network issues that need to be addressed within each district. He stated that computers are a recurring budgetary need, with networks needing the highest priority. Mr. Ryan also said that preliminary data from the 1:1

laptop program indicates an increase in the length of the learning day and, as well, an improvement in student performance. Secretary Jimenez questioned whether a 1:1 ratio is necessary for a kindergarten or first grade class. Mr. Ryan said that decisions about student-computer ratios at specific grade levels would be site- or district-based but that the access ratio should be at least 1:1.

Representative Miera said that it would be a "hard sell" to advocate providing computers to administration and teachers before giving access to children. Mr. Ryan said the issue was providing opportunities to learn and that teachers' access to computers is critical in achieving that objective. He added that most teachers' computers are available for student use.

Mr. Ryan was asked if the data are available to estimate costs to fund the statewide educational technology deficiencies program required in HB 511. He said that the data are being worked on and that he expects that information to be available by the time he makes the December report to the LESC as required in HB 511.

In response to task force questions, Ms. Tackett said that Roy Soto is the state's chief information officer and that Robert Piro is the PED chief information officer.

#### **Charter Schools Advisory Committee Status Report**

Substituting for Alan Armijo, chair of the PSCOOTF Charter School Advisory Committee who was out of town, Ms. Ball presented a status report to the task force on the work of the Charter School Advisory Committee. Ms. Ball indicated that in their discussions, members of the advisory committee had expressed concerns about trying to address only charter school capital outlay issues without also considering governance issues. The committee's consensus was that the capital outlay issues are so closely bound up with governance issues that considering the first without the latter might not be productive. Mr. Monfiletto added that, as a charter school operator, he believes that solving governance issues would help address capital outlay problems.

Ms. Ball also said that the committee had indicated it may not make recommendations for specific legislation for the 2006 session because the committee has been meeting only since October 2005 and the committee members felt confident that they would be able to produce more substantive legislative recommendations for the 2007 session.

Representative Larranaga pointed out that the governor appears to be considering a change in charter school governance, perhaps creating a so-called "90th district" that would be under the supervision of the PED. He said that this type of governance proposal could affect the recommendations of the advisory committee.

Secretary Jimenez indicated his concern that the advisory committee might not be able to make recommendations for the 2006 session. He stressed the importance of the committee's recommendations to the PSCOOTF notwithstanding the executive's proposals. Senator Nava

agreed and noted that perhaps the reason that the executive is moving forward on this issue is that the legislature has not yet been able to resolve the concerns of charter schools and districts related to both governance and capital outlay.

Mr. Monfiletto stated that his organization, the New Mexico Coalition for Charter Schools, would have recommendations ready for the advisory committee's December 5 meeting and for the LESC meeting on December 12.

Ms. Ball expressed the hope that the advisory committee would be able to consider the executive's proposal at its next meeting as it puts together its recommendations. Co-chair Miera indicated that the sooner the various interim committees can examine any proposal or recommendations, the more likely those proposals and recommendations can receive careful consideration—especially prior to and during a 30-day session. Ms. Ball reiterated that the advisory committee will meet again on December 5 and will work to come to a consensus on legislative recommendations at that time.

#### **New Mexico School for the Deaf (NMSD)/New Mexico School for the Blind and Visually Impaired (NMSBVI)**

Miguel Hidalgo, deputy secretary, Higher Education Department (HED), explained that he would be leading the presentation because HED Secretary McClure had been called away this morning. He said that these two institutions, the NMSD and the NMSBVI, are established in the state constitution, and both serve a K-12 student population. He noted that, perhaps because of their constitutional status, both of these schools have been under the oversight of the former Commission on Higher Education (now HED) and, as a result, have been forced to compete through the legislative process with all of the state's institutions of higher education and the New Mexico Military Institute for sometimes scarce capital outlay appropriations. He suggested that, because these two state schools serve K-12 students, they should be included in the Public School Capital Outlay Act standards-based process. He emphasized, however, that HED is not recommending that the two schools be placed under the PED for administrative purposes but only for capital outlay appropriations in the standards-based process.

Mr. Hidalgo introduced representatives from the NMSD to provide information to the committee regarding capital outlay needs for NMSD facilities.

Rosemary Griegos, director of early childhood outreach, NMSD, provided a historical and statistical overview of NMSD. She said that in October 2000, the NMSD Board of Regents voted to retain its main campus presence along Cerrillos Road creating a number of challenges based on the age and historical significance of its buildings. Currently, the buildings do not conform to today's accessibility, safety, learning and other standards. Given the buildings' poor insulation and antiquated utility infrastructure for water, sewage, heating and cooling, the school's resources cannot be managed effectively and efficiently.

Ms. Griegos explained that the school had commissioned a long-range facilities master plan for the main campus in Santa Fe (the school also has a preschool facility in Albuquerque), which was completed in February 2001. The plan included three phases to be constructed over a period of eight years at an estimated total cost of \$33.8 million. She said that NMSD had received a total of \$11 million from the past two statewide general obligation bond elections, \$5 million of which was used to fund Phase I of the design and construction of a new residential complex with a student activity center on the Santa Fe campus. The remaining \$6 million will fund design and construction of a new classroom facility in Santa Fe, which is scheduled for completion in October 2006.

Ms. Griegos provided task force members with a copy of the NMSD's current five-year capital master plan update for the main campus and noted that it identifies and prioritizes specific improvements while preserving the historic integrity of the campus. She said the cost would be approximately \$31 million over the next five years; however, the school has approximately \$2.5 million in immediate serious health and safety and code capital outlay requirements.

Dianna Jennings, superintendent, NMSBVI, provided information about her institution. Founded in 1906 with a student population of 21 students, she said that the school now serves more than 800 students throughout the state with approximately 60 resident students on the Alamogordo campus. She said that the remainder of those 800 students are served either at an early childhood center in Albuquerque or through the use of itinerant teachers who work under joint powers agreements with more than 40 local districts.

Ms. Jennings also provided the task force with a copy of the current NMSBVI facilities. She said that prior funding of approximately \$4 million from statewide general obligation bonds had funded upgrading and remodeling some of the school's facilities for federal Americans with Disabilities Act (ADA) compliance and fire code requirements. She noted that for the remaining facilities, however, the facilities master plan projects approximately \$8.5 million for remodeling for serious safety and fire code requirements, ADA compliance, mechanical upgrades and more efficient space utilization.

Senator Leavell asked whether, because the two schools are constitutionally created, passage of a constitutional amendment would be necessary to include them in the Public School Capital Outlay Act standards-based process. Ms. Tackett indicated that including these institutions would require only amendments to current statute. She added that the task force could determine specifics of these amendments.

Senator Nava suggested that establishing a deficiency correction fund specifically to correct health and safety and code deficiencies for these two institutions might be the best approach. She noted that, after the deficiencies are corrected, they could become part of the regular standards-based process.

In response to a task force question, Mr. Hidalgo indicated that placing these two institutions under the administration of HED had been a past legislative decision. He reiterated that HED does not wish to relinquish its current relationship with these schools but would like for them to have the same access to public school capital outlay funds that the schools in the state's other 89 districts have. Task force members expressed some concerns about how these schools would meet local matches required by the Public School Capital Outlay Act and agreed by consensus to consider supporting a one-time \$40 million appropriation for the two schools to be administered by the PSCOC over the next five years of implementation of the institutions' respective facility master plans.

### **Financing Options and Issues — Impact on Equalization Tax Increment Financing**

Robert Desiderio, former dean, University of New Mexico School of Law, presented information to the task force regarding tax increment financing (TIF). Mr. Desiderio explained that TIF is a financing tool used to create new increased tax revenue for public capital projects within a community. Under Mr. Desiderio's scenario, the developer is responsible for the purchase of the land and then the construction is paid for through bonds that are paid back through gross receipts tax. Mr. Desiderio expressed concerns about the effect of the TIF program on the equity issues brought out in the *Zuni* lawsuit. The PSCOOTF would need to address that problem before schools are constructed without the funding being channeled through the PSCOC.

In response to task force questions, Mr. Desiderio stated that the new tax revenue is generated from the new development and is not, in effect, a tax rate increase.

Senator Nava said that an argument could be made that revenue would not exist without the development, and therefore, one might be able to entice development by making the TIF in lieu of impact fees. Mr. Desiderio said that a TIF is not a revenue source in lieu of impact fees. He added that the new revenue comes from new commercial businesses, homes and other economic development. The increase in tax revenues would be from those sources and not from a tax rate increase.

Ms. Grimes asked if the TIF proposal would conflict with the state funding formula. PSFA staff indicated that since TIF funding is for capital projects, it would not conflict with the equity of the operational funding formula. However, staff noted possible issues with the TIF proposal in respect to the *Zuni* lawsuit.

### **Industrial Revenue Bonds**

Russell Caldwell, senior vice president of public finance, Kirkpatrick Pettis Division, D.A. Davidson & Co., gave a brief overview to the task force of the basic Industrial Revenue Bond (IRB) structure to finance capital outlay expenditures for charter schools. He stated that his firm has underwritten bonds for 44 charter schools totaling more than \$400 million while he has served in his current position. Mr. Caldwell further noted that in order for a charter school's

bonds to be marketable, the charter school must have facility and maintenance plans similar to what the PSFA requires currently and must illustrate that its program is viable and its fiscal operation is sound.

Regarding the recently negotiated proposed issuance of IRBs for Santa Fe's Academy for Technology and the Classics (ATC) Charter School, Mr. Caldwell explained that the term of the bonds would be for 30 years, with level lease payments and the operating lease payment decreasing over time. In response to a question from Mr. Mulcock, Mr. Caldwell said the bonds would not be rated and that they are predominantly for industrial investors with approximately a six percent return rate to the investor.

In response to Ms. Tackett's question regarding the source of the bonds' repayment, Mr. Caldwell said that the school would have a lease payment as a line item within its operating budget and the bond payback would come from that revenue. Lee Pittard, ATC Board president, emphasized that the charter school's 501(c)3 foundation, created solely for that purpose, is legally responsible for repayment of the bonds. Both he and Mr. Caldwell assured task force members that neither Santa Fe County nor the state would ever be responsible for repayment of these bonds.

Representative Miera asked where in the plan was financing for maintenance, and Mr. Caldwell said that, like the lease payments, maintenance is a line item in the budget. Mr. Pittard added that some of the initial financing is for cash reserves and that money could be used for maintenance.

Ms. Tackett expressed concerns about who would be responsible for oversight when a foundation acquires IRB funds to build a charter school facility: the contractor, the school's foundation, the school's governing board or the PSFA. Mr. Mulcock reminded the task force that the initial capital plan was developed when charter schools said they would never need capital money.

In response to a question from Dr. Pauline Rindone, LESC director, about ownership of the facility, Mr. Caldwell said that the county and the foundation of the school would be the owner, with the county having no liability after the 30-year lease payment is over. After that, the school and the foundation would be the primary owners of the property. It was further noted that having the foundation be the primary owner of the property does not conflict with the provision in the current statute requiring all charter schools to be in a public building by 2010 since the foundation is a 501(c)3 nonprofit organization; however, the foundation would have to assume responsibility for keeping the building at adequacy standards.

#### **Public Comment**

Stephen Fox, Santa Fe resident, expressed concerns to the task force about school officials prescribing medication to students.

#### **Recess**

The task force recessed at 4:10 p.m.



**Tuesday, November 22**

### **Cooperative Maintenance Options**

Co-chair Miera recognized several speakers who, he said, had been invited to talk to the task force about issues related to implementation of the facility information management system (FIMS) through cooperative maintenance options. Jack Burch, superintendent, Elida Municipal Schools, said he would like to work with a regional education cooperative (REC) to assume responsibility for the large amount of data per district that must be input for district and PSFA use. Stephen Aguirre, executive director, Regional Education Cooperative #3, said he believes that data entry duties would be an appropriate and possible service that RECs could provide to districts.

Representative Miera asked how an REC could help with the work order process, and Mr. Burch said that it may not be of much assistance with that particular function but that it could assist with FIMS implementation and also with the preventative maintenance checklist. Representative Miera said that before a legislative recommendation could be made, it would be helpful to have a consensus among the state's 10 RECs regarding the assumption of such duties.

Co-chair Nava expressed concerns about the need to hire additional staff for RECs if they took on these responsibilities for districts and asked what staff support an REC would need. Mr. Aguirre initially said he thought an REC would need one additional full-time equivalent (FTE) to accomplish this type of task for the eight districts his REC serves.

Mr. Mulcock talked about the benefits for an REC to contract with major repair specialists, such as electricians or boiler repair contractors, to be shared among school districts. Mr. Burch said this would be a great benefit for the districts and could specifically assist with maintenance of fire alarm systems.

In response to task force questions, Ms. Tackett said that while working with an REC does not require any legislative changes, authorization for the districts to work with an REC on these maintenance support issues may expedite the cooperation of some districts. Mr. Mulcock asked if the small districts feel that working with an REC is a threat for consolidation. Mr. Burch said that his district is always concerned about consolidation, but due to budget crunches, an efficient solution must be reached, and an REC is one potential solution.

Mr. Guardiola asked if it would be possible for Dr. Jim Holloway, PED assistant secretary for rural education, to work with the rural superintendents to explore this option collectively. Mr. Aguirre said the RECs are meeting with Dr. Holloway on December 12 and would bring this issue to his attention.

Gene Bicker, director of operations, Clovis Municipal Schools, told the task force that not only is there a data entry problem, but there is also a preventative maintenance issue that needs to be addressed, and that a single FTE is not enough to sufficiently address the problem. Mr. Bicker said he believes that having RECs contract for preventative maintenance would be of added

assistance. He further said that actual data entry is one of the toughest issues facing his district. Once the data are entered for the first time and the system is working efficiently, this possibility might be helpful, but getting the data entered is a current challenge for most rural districts.

Mr. Burch continued his comments, saying that the "SchoolDude" software program currently being implemented statewide through the PSFA is working well. He said that the training and support from the PSFA and SchoolDude software personnel have been outstanding and that he is looking forward to moving forward with the implementation of the program.

Co-chair Miera told the presenters that he would like to have some specific direction regarding which districts need the funding and direction to facilitate REC development. Co-chair Nava stated that she believes that funding for the FTEs or contracts needs to be equitable across all districts and not simply for small districts. Mr. Mulcock concurred, saying that middle and large districts need to be a part of the conversation and consensus.

Mr. Mulcock questioned who was responsible for paying for the REC services and whether those costs should be paid from capital dollars or operational funds. Ms. Tackett replied that, during the discussion of legislation later in the meeting, the task force might look at increasing the SB 9 match and clarifying that this money is available for contractual services. Mr. Berry said that the PSFA has some money to put into this process and would be willing to look into that option.

### **Obstacles and Stumbling Blocks to the Standards-Based Process**

John Horton, director of public policy and government relations, Associated General Contractors of New Mexico, presented information to the task force regarding alternative project delivery options relating to school building construction. The various delivery methods discussed were:

- ▶ design/bid/build ("low bid");
- ▶ construction manager/agency (CM/Agency);
- ▶ construction manager at risk;
- ▶ design/build; and
- ▶ competitive sealed proposals.

He said that the design/bid/build method is the most common method of construction, with the contractor assuming the risk of completing the project for the bid amount.

Construction manager/agency is a method whereby the district contracts with a construction manager (CM) to perform as the owner's agent in oversight of the overall construction project. While a CM monitors the costs, time, quality and safety of the project, the CM takes no financial responsibility and is paid a fee by the building owner and therefore assumes no risk. He noted that one challenge to this scenario is the quality of the CM's oversight and liability. Mr. Berry said that some rural districts and Albuquerque's Amy Biehl Charter High School have used this method and reiterated concerns about the CM's quality of oversight and liability. Pat McMurray, PSFA staff member, said that one important reason that the CM/Agency

method is a viable option in rural areas is a lack of bidders for those small projects. He also said problems occur when the district does not realize the liability and responsibility it assumes with this method. If the CM does not perform adequately or appropriately, the liability then falls back on the district. This situation has caused many superintendents to become CMs, which takes time away from their other duties as superintendents. He also stated that the fact that most superintendents are not qualified to be CMs presents problems as well. Mr. Horton noted that this construction method was used to build the Bernalillo County Detention Center.

Mr. Horton then discussed the design/build method. The key element that this method provides, he said, is quicker delivery since there is no bid process. It was mentioned that a downside of this method is that the process moves along so quickly, the design may or may not be exactly what the initial conception was. Mr. McMurray noted that this process cannot be used in all cases because of current state law.

The next delivery method discussed by Mr. Horton was the CM at risk method. He said that this method is similar to the CM/Agency method with the CM assuming some of the risk. There are separate contracts for the design and construction, and the CM holds trade contracts and performance risk. The CM also commits to a guaranteed maximum price contract and schedule. Mr. McMurray said this method helps involve more local contractors.

In the next portion of the presentation, Mr. McMurray and Mr. Berry, PSFA, presented some other obstacles and stumbling blocks to the standards-based process. The first issue they discussed was public-community partnerships. Mr. McMurray stated that schools are increasingly becoming community centers and that the PSFA's hands are tied when it comes to financing some of these projects since many of these joint-use facilities do not fall under the adequacy standards adopted by the PSCOC.

There was also discussion regarding roofs throughout the districts in the state. Last year, \$9.3 million was lost due to issues surrounding bad roofs. The task force then engaged in discussion about who pays for what repairs or replacements, whether it is the insurance company, the initial contractor or the state who is responsible.

Mr. Berry mentioned the operational cash balance caps currently in statute and said that this statute has hindered districts' abilities to pay for a variety of maintenance items because, without adequate cash balances on hand, for example, districts no longer have the ability to pay for maintenance items "up front" and then wait for reimbursement.

Mr. Berry also discussed the issue of keeping the PSFA employees under state personnel "exempt" status. He noted that the current arrangement is satisfactory to the PSCOC and the PSFA staff. He also noted that, once deficiencies throughout the state have been corrected, the PSFA would no longer need as many employees and that reductions in force can be expensive and time-consuming when the employees are classified as nonexempt under the state personnel system.

Mr. Berry said another concern is the PSFA's current inability to act as a centralized purchasing authority under the Procurement Code, so that districts can get the best prices on necessary building materials. It was suggested that the PSFA could become the central purchasing authority for schools. Mr. Mulcock urged caution with this approach. Other task force members added that they would prefer control for day-to-day operational items to be in the hands of the local districts.

The final stumbling block presented was the need for abandoned building demolition funding. Mr. Berry explained that the old buildings are now owned by the districts and present a liability issue for them. In response to a question from Senator Nava about the cost to demolish all abandoned school buildings in the state, Mr. Berry said that the data regarding the final costs were not complete yet. He added that currently PSFA has identified seven buildings that need to be demolished and is continuing to attempt to identify others that need to be demolished.

### **Discussion of Potential Legislation**

By consensus, the task force agreed to ask staff to draft bills on the following items and that the task force would consider formal adoption at its December 19 meeting in Santa Fe:

- authorize funding from the Public School Capital Outlay Fund for qualifying districts for the development and updating of district facility master plans;
- increase for one year the general fund appropriation to the Educational Technology Fund;
- provide special funding for correcting deficiencies identified under the 3-D International (3DI) assessments for the NMSD and the NMSBVI and establish rules for distribution of those funds;
- review the TIF bill to ensure school districts are protected from sanctions because of disqualification issues related to the *Zuni* lawsuit;
- allow school districts greater flexibility in maintaining cash balances;
- HB 511 response: (1) when educational technology standards are established, provide funding to those standards in a phased approach with network infrastructure and basic workstations for districts with a student-computer ratio of more than 3:1; and (2) provide additional funding for an in-depth, third-party assessment of educational technology needs at individual schools similar to the 3DI assessment;
- use statewide general obligation bonds to fund capital outlay needs of charter schools;
- allow PSFA employees to retain the exempt status under the state personnel system;
- provide additional funding for implementation of FIMS;
- create a special fund from the general fund surplus to be used during, the period that charter schools are moving into public spaces to provide the district's local match under the standards-based process;
- increase SB 9 match to \$90.00 and allow districts to use SB 9 dollars specifically to contract for maintenance support services;
- exclude the PSCOC and the PSFA from the requirement of procurement through the state purchasing agent; and
- request that representatives of local governments, public school districts and the state discuss the effect of such issues as IRBs and impact aid fees to school districts and

determine ways to work together to mitigate the effect of these issues on school district revenues and make recommendations to the PSCOOTF.

There being no further business, the PSCOOTF adjourned at 12:10 p.m.